

**SELF-FUNDED HEALTH PLANS  
3rd Quarter 2008 Results**

**Gain/Loss by Plan (\$000)**

<b>Plan</b>	<b>2006 Year</b>	<b>2007 Year</b>	<b>Jan - Sep 2007</b>	<b>Jan - Sep 2008</b>
Care Basic	\$10,112	\$26,166	\$23,735	(\$6,413)
Care Supplemental	(\$8,684)	(\$6,558)	(\$4,261)	\$606
Choice Basic	\$18,221	\$65,804	\$68,237	\$47,024
Choice Supplemental	(\$139)	\$1,986	\$1,248	(\$2,800)
Select Basic	N/A	N/A	NA	\$536
Select Supplemental	N/A	N/A	NA	(\$21)
<b>All Plans</b>	<b>\$19,510</b>	<b>\$87,398</b>	<b>\$88,959</b>	<b>\$38,933</b>

**Incurred Loss Ratio**

	<b>2006 Year</b>	<b>2007 Year</b>	<b>Jan - Sep 2007</b>	<b>Jan - Sep 2008</b>
Care Basic	94%	85%	83%	105%
Care Supplemental	104%	103%	102%	100%
Choice Basic	98%	93%	90%	94%
Choice Supplemental	100%	98%	99%	103%
Select Basic	N/A	N/A	NA	96%
Select Supplemental	N/A	N/A	NA	108%
<b>All Plans</b>	<b>98%</b>	<b>94%</b>	<b>92%</b>	<b>97%</b>

Incurred loss ratios illustrate each plan's operating margin. A 100% ratio is equal to break-even. Values above 100% indicate a premium loss.

**Rolling 12 Month Trend**

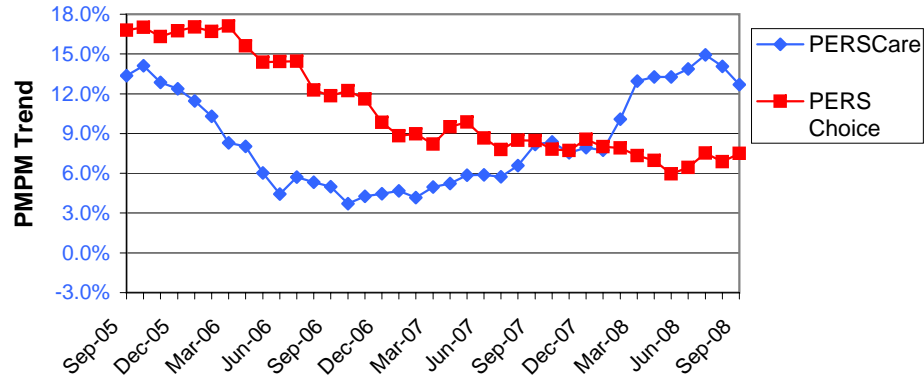
	<b>MEDICAL</b>			
	<b>2006 Year</b>	<b>2007 Year</b>	<b>Sep 2007</b>	<b>Sep 2008</b>
Care Basic	4.5%	7.9%	8.2%	12.7%
Care Supplemental	5.8%	4.7%	5.5%	1.5%
Choice Basic	9.8%	8.6%	8.5%	7.5%
Choice Supplemental	1.8%	3.8%	2.7%	1.8%
Select Basic	N/A	N/A	N/A	N/A
Select Supplemental	N/A	N/A	N/A	N/A

	<b>PHARMACY</b>			
	<b>2006 Year</b>	<b>2007 Year</b>	<b>Sep 2007</b>	<b>Sep 2008</b>
Care Basic	8.9%	1.2%	0.3%	6.1%
Care Supplemental	8.6%	1.9%	-0.4%	6.0%
Choice Basic	9.4%	5.7%	4.1%	5.8%
Choice Supplemental	5.3%	0.6%	-2.2%	4.9%
Select Basic	N/A	N/A	N/A	N/A
Select Supplemental	N/A	N/A	N/A	N/A

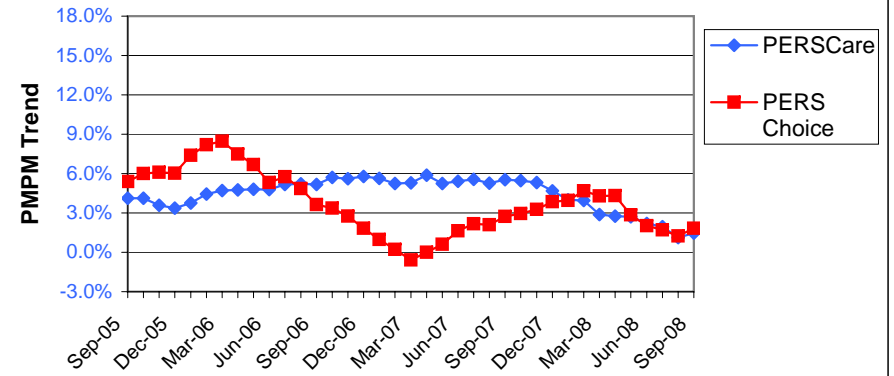
12 month trends illustrate the movement that has occurred during the preceeding twelve months.

# CalPERS Self-Funded Health Plans Quarter Ending September 30, 2008

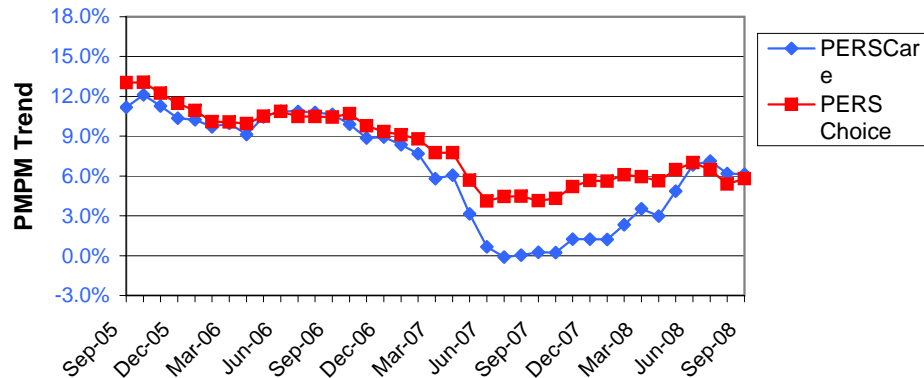
**12 Month Rolling PMPM Trend  
Medical - Basic Plans**



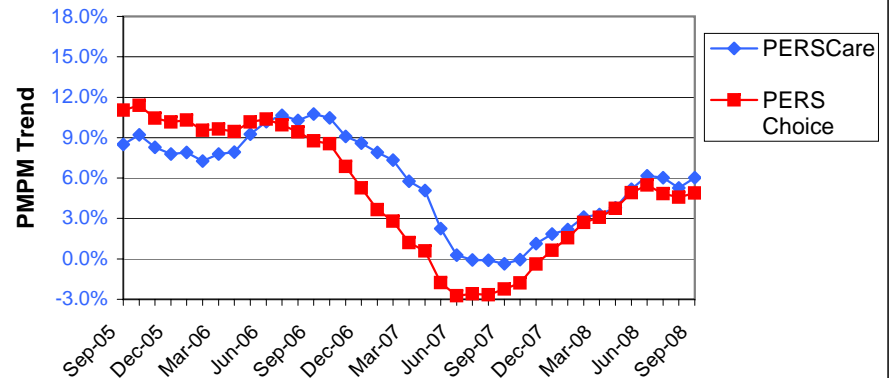
**12 Month Rolling PMPM Trend  
Medical - Supplemental Plans**



**12 Month Rolling PMPM Trend  
Pharmacy - Basic Plans**



**12 Month Rolling PMPM Trend  
Pharmacy - Supplemental Plans**



**SELF- FUNDED HEALTH PLANS  
PER-MEMBER PER-MONTH COSTS  
as of September 30, 2008**

**\* Medical Claims per Member per Month**

	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>
<b>3rd Quarter 2007</b>	\$466.05	\$133.66	\$254.46	\$103.54	N/A	N/A
<b>4th Quarter 2007</b>	\$465.65	\$126.89	\$269.46	\$100.07	N/A	N/A
<b>1st Quarter 2008</b>	\$535.67	\$163.85	\$242.31	\$128.66	\$279.14	\$117.59
<b>2nd Quarter 2008</b>	\$496.42	\$136.36	\$271.69	\$105.67	\$251.65	\$85.98
<b>3rd Quarter 2008</b>	\$510.37	\$136.36	\$282.71	\$107.03	\$298.97	\$101.70

**\* Pharmacy Claims per Member per Month**

	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>
<b>3rd Quarter 2007</b>	\$138.86	\$211.86	\$77.31	\$196.55	N/A	N/A
<b>4th Quarter 2007</b>	\$139.22	\$215.45	\$79.01	\$196.50	N/A	N/A
<b>1st Quarter 2008</b>	\$146.13	\$221.63	\$80.97	\$204.34	\$50.66	\$196.55
<b>2nd Quarter 2008</b>	\$147.18	\$224.78	\$81.98	\$207.43	\$50.49	\$198.61
<b>3rd Quarter 2008</b>	\$141.88	\$218.71	\$79.36	\$200.07	\$45.60	\$211.38

**\*Total Claims per Member per Month**

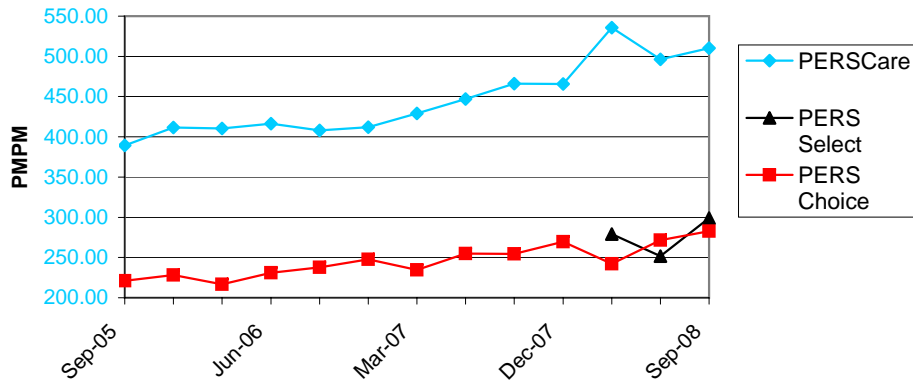
	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>
<b>3rd Quarter 2007</b>	\$604.91	\$345.52	\$331.77	\$300.09	N/A	N/A
<b>4th Quarter 2007</b>	\$604.87	\$342.34	\$348.47	\$296.56	N/A	N/A
<b>1st Quarter 2008</b>	\$681.80	\$385.48	\$323.28	\$333.00	\$329.80	\$314.14
<b>2nd Quarter 2008</b>	\$643.61	\$361.14	\$353.68	\$313.09	\$302.13	\$284.59
<b>3rd Quarter 2008</b>	\$652.24	\$355.07	\$362.07	\$307.10	\$344.57	\$313.07

\* Prior quarters are updated for each report as actual claims runoff is realized.

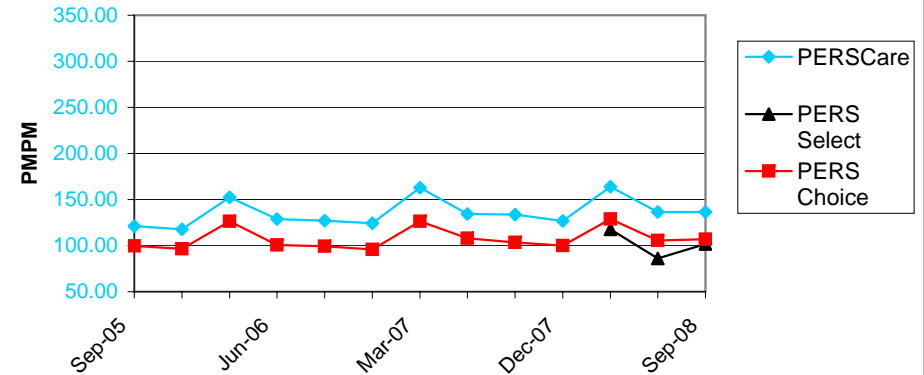
\* Pharmacy costs exclude rebates.

# CalPERS Self-Funded Health Plans Quarter Ending September 30, 2008

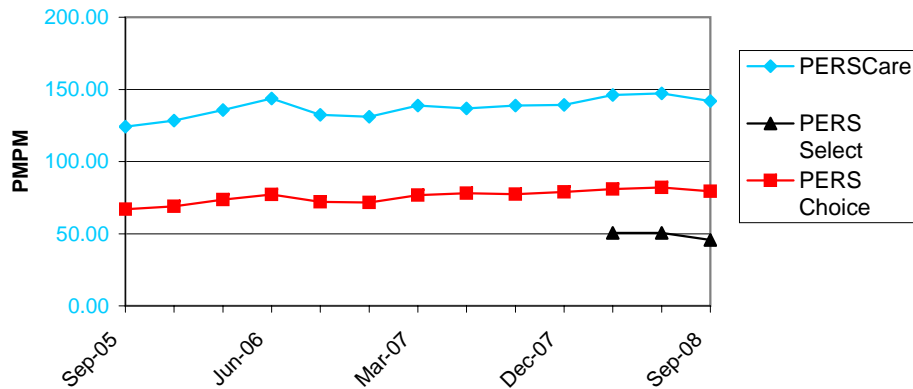
**Claim Costs PMPM  
Medical - Basic Plans**



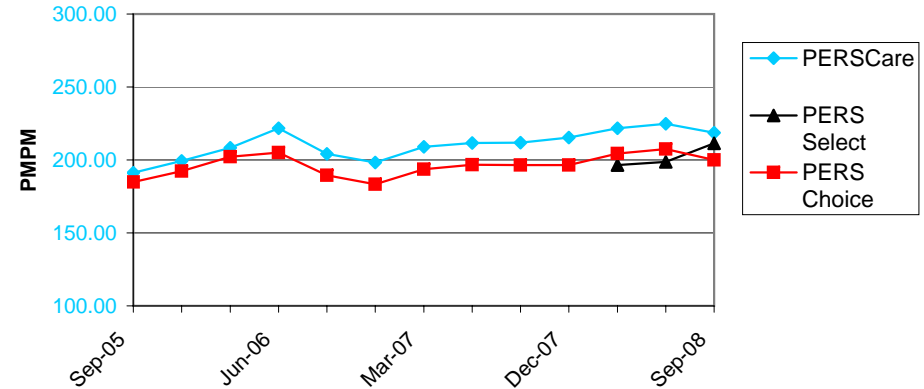
**Claim Costs PMPM  
Medical - Supplemental Plans**



**Claim Costs PMPM  
Pharmacy - Basic Plans**



**Claim Costs PMPM  
Pharmacy - Supplemental Plans**



**SELF-FUNDED HEALTH PLANS**  
**Financial Values By Plan**  
**as of September 30, 2008**

line	Basic	PERS Care Supp	Total
1 Actuarial Assets 06/30/08	\$139,750,371	\$133,076,252	\$272,826,623
2 Asset Change 3rd Q 2008	<u>\$394,233</u>	<u>(\$3,020,901)</u>	<u>(\$2,626,667)</u>
3 Actuarial Assets 09/30/08	\$140,144,604	\$130,055,351	\$270,199,955
4 Actuarial Reserve 06/30/08	\$44,397,000	\$56,386,000	\$100,783,000
5 Actuarial Reserve 09/30/08	\$47,888,000	\$59,945,000	\$107,833,000
6 Assets Less Reserves 09/30/08	\$92,256,604	\$70,110,351	\$162,366,955
		<b>PERS Choice</b>	
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
7 Actuarial Assets 06/30/08	\$462,561,142	\$47,982,509	\$510,543,651
8 Asset Change 3rd Q 2008	<u>\$9,875,159</u>	<u>\$1,242,405</u>	<u>\$11,117,564</u>
9 Actuarial Assets 09/30/08	\$472,436,301	\$49,224,914	\$521,661,215
10 Actuarial Reserve 06/30/08	\$234,103,000	\$29,685,000	\$263,788,000
11 Actuarial Reserve 09/30/08	\$238,896,000	\$32,393,000	\$271,289,000
12 Assets Less Reserves 09/30/08	\$233,540,301	\$16,831,914	\$250,372,215
		<b>PERS Select</b>	
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
13 Actuarial Assets 06/30/08	\$3,725,015	\$36,733	\$3,761,748
14 Asset Change 3rd Q 2008	<u>\$845,973</u>	<u>\$16,825</u>	<u>\$862,799</u>
15 Actuarial Assets 09/30/08	\$4,570,988	\$53,558	\$4,624,546
16 Actuarial Reserve 06/30/08	\$4,378,000	\$89,000	\$4,467,000
17 Actuarial Reserve 09/30/08	\$5,843,000	\$110,000	\$5,953,000
18 Assets Less Reserves 09/30/08	(\$1,272,012)	(\$56,442)	(\$1,328,454)
		<b>Total Program</b>	
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
19 Actuarial Assets 06/30/08	\$606,036,528	\$181,095,494	\$787,132,022
20 Asset Change 3rd Q 2008	\$11,115,365	<u>(\$1,761,670)</u>	<u>\$9,353,695</u>
21 Actuarial Assets 09/30/08	\$617,151,894	\$179,333,823	<u>\$796,485,717</u>
22 Actuarial Reserve 06/30/08	\$282,878,000	\$86,160,000	\$369,038,000
23 Actuarial Reserve 09/30/08	\$292,627,000	\$92,448,000	<u>\$385,075,000</u>
24 Assets Less Reserves 09/30/08	\$324,524,894	\$86,885,823	<u>\$411,410,717</u>

**SELF-FUNDED HEALTH PLANS**  
**Relationship of Plan Assets to the Actuarial Reserve\***  
**as of September 30, 2008**

	<b>PERS Care</b>		
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
<b>Assets 09/30/2008</b>	\$140,144,604	\$130,055,351	\$270,199,955
<b>Actuarial Reserve 09/30/2008</b>	\$47,888,000	\$59,945,000	\$107,833,000
<b>Assets Above Actuarial Reserve</b>	\$92,256,604	\$70,110,351	\$162,366,955
<b>Ratio of Assets to the Actuarial Reserve</b>	293%	217%	251%
	<b>PERS Choice</b>		
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
<b>Assets 09/30/2008</b>	\$472,436,301	\$49,224,914	\$521,661,215
<b>Actuarial Reserve 09/30/2008</b>	\$238,896,000	\$32,393,000	\$271,289,000
<b>Assets Above Actuarial Reserve</b>	\$233,540,301	\$16,831,914	\$250,372,215
<b>Ratio of Assets to the Actuarial Reserve</b>	198%	152%	192%
	<b>PERS Select</b>		
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
<b>Assets 09/30/2008</b>	\$4,570,988	\$53,558	\$4,624,546
<b>Actuarial Reserve 09/30/2008</b>	\$5,843,000	\$110,000	\$5,953,000
<b>Assets Above Actuarial Reserve</b>	(\$1,272,012)	(\$56,442)	(\$1,328,454)
<b>Ratio of Assets to the Actuarial Reserve</b>	78%	49%	78%
	<b>Total Self-Funded Program</b>		
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
<b>Assets 09/30/2008</b>	\$617,151,894	\$179,333,823	\$796,485,717
<b>Actuarial Reserve 09/30/2008</b>	\$292,627,000	\$92,448,000	\$385,075,000
<b>Assets Above Actuarial Reserve</b>	\$324,524,894	\$86,885,823	\$411,410,717
<b>Ratio of Assets to the Actuarial Reserve</b>	211%	194%	207%

\* The Actuarial Reserve equals the Incurred But Not Reported (IBNR) reserve (without a contingency load) plus the Risk Based Capital Reserve (RBC) set at a 300% level.

Ratios above 100% indicate assets in excess of reserves.

**SELF-FUNDED HEALTH PLANS**  
**Enrollment Comparison for 2007 and 2008**  
**as of September 30, 2008**

**Membership for 2007:**

<b>Members</b>	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>	<b>Total</b>
<b>Jan-07</b>	22,349	51,403	208,535	26,994	0	0	309,281
<b>Feb-07</b>	22,173	51,300	205,708	27,339	0	0	306,520
<b>Mar-07</b>	21,996	51,193	208,754	27,584	0	0	309,527
<b>Apr-07</b>	21,898	51,105	208,843	27,830	0	0	309,676
<b>May-07</b>	21,826	51,008	205,487	28,020	0	0	306,341
<b>Jun-07</b>	21,690	50,891	205,818	28,229	0	0	306,628
<b>Jul-07</b>	21,503	50,880	206,323	28,539	0	0	307,245
<b>Aug-07</b>	21,350	50,809	206,761	28,831	0	0	307,751
<b>Sep-07</b>	21,297	50,755	207,421	29,129	0	0	308,602
<b>Oct-07</b>	21,215	50,684	207,642	29,459	0	0	309,000
<b>Nov-07</b>	21,114	50,578	207,967	29,795	0	0	309,454
<b>Dec-07</b>	21,046	50,501	207,924	30,096	0	0	309,567

**Membership for 2008:**

<b>Members</b>	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>	<b>Total</b>
<b>Jan-08</b>	20,678	50,771	215,472	31,307	3,505	74	321,807
<b>Feb-08</b>	20,487	50,636	214,593	31,531	3,762	75	321,084
<b>Mar-08</b>	20,319	50,544	213,948	31,819	3,960	79	320,669
<b>Apr-08</b>	20,236	50,421	214,153	32,044	4,141	81	321,076
<b>May-08</b>	20,178	50,313	213,827	32,313	4,264	81	320,976
<b>Jun-08</b>	20,084	50,207	214,121	32,579	4,380	86	321,457
<b>Jul-08</b>	19,965	50,118	214,766	32,940	4,557	88	322,434
<b>Aug-08</b>	19,924	50,001	214,561	33,306	4,675	96	322,563
<b>Sep-08</b>	19,847	49,871	215,108	33,622	4,869	100	323,417
<b>Oct-08</b>							
<b>Nov-08</b>							
<b>Dec-08</b>							